

1.941  
R75t2

UNITED STATES DEPARTMENT OF AGRICULTURE  
Bureau of Agricultural Economics

September 8, 1941

STATEMENT BY THE BUREAU OF AGRICULTURAL ECONOMICS  
RELATIVE TO THE RECOMMENDATIONS OF STATE AGRICUL-  
TURAL PLANNING COMMITTEES DEALING WITH RESEARCH

Reserve

\* \* \*

The Bureau is glad to consider the recommendations dealing with economic and social research which were submitted by State Agricultural Planning Committees. Since many of these recommendations were not directed to any single agency, and since much of the proposed work is cooperative in nature, the Bureau of Agricultural Economics has not considered these recommendations as direct requests to it for research projects. However, the recommendations have been summarized and made available to all State, regional, and Washington officials of the Bureau with the expectation that these workers will consider them and work with individual State Planning Committees and research workers in developing specific projects for additional research, or in bringing to them the results of research done in other States or offices of the Bureau. These recommendations also will be utilized in framing the general research program of the Bureau and in establishing priorities for research projects proposed by individual States.

An attempt is made in this statement to deal with a number of the recommendations most frequently made by planning committees. Frequently, it is possible to indicate work which is underway or has been finished in fields of particular interest to planning committees. In other cases, new research activities being undertaken are discussed. Quite frequently, however, there appear to be important fields in which research is needed but which have been omitted by planning committees in their consideration of desirable trends in the nature of research work done by State and federal agencies.

Discussion is by major fields of research covered by the Committees.

I. FARM ORGANIZATION AND MANAGEMENT

A. Organization and Management of Individual Farm Units - Recommendations for research in this field center around research to determine the different kinds of adjustments open to specific groups farming under roughly similar physical and economic conditions. Such information is needed as the basis of action in areas where established systems of farming must undergo changes to prevent erosion, to keep pace with technological change, and in adjusting production to meet the demands of a changing world economy. This is already an important line of activity in the work of the Bureau, and attention will be given to the possibility of intensifying these efforts in the areas requesting specific attention.

B. Farm Management Aspects of Low-Income and Part-Time Farm Groups - Five States suggest research into the problems of low-income or part-time farmers. This again is a field in which the Bureau is conducting an active program of research. It has personnel engaged full time on the problems of these groups, the work being conducted in close cooperation with the Farm Security Administration. The Bureau will be glad to inquire further into the requests for work along this line in these five States.



C. Problems of Farm Labor - Thirty-six States evidenced concern over immediate shortages or surpluses of farm labor. During the past fiscal year there was set up a project to bring together the rather considerable volume of data available on quantities of labor needed per unit in producing important farm commodities. These data when compared with the available labor supply will furnish a basis for estimating probable deficits and surpluses in various regions of the country. The findings of this work are being made available to the Department's labor committee.

D. Coordination of Programs Needs Study - Many reports refer to confusion and duplication of effort between agricultural programs as they impinge on the individual farm. The Department, through its experiment in a coordinated approach to individual farm planning, is attempting to obtain a better fit of programs to individual farms, to provide through a unified farm plan a means for coordinating the efforts of all groups working on individual farms, and at the same time is hoping to achieve more real conservation of physical and human resources on the farm. The Bureau took a leading part in developing this procedure and has been given a large share in the responsibility for carrying out this year's experimental program and evaluating the results.

It is recognized that these suggestions regarding research in the field of farm organization and management were incidental to the preparation of the report for another purpose; consequently, they do not reflect the well-considered opinions of local groups on what would constitute a complete and well-rounded research program for the Bureau in this field. A report of the latter type can result only from joint conferences with State and local people where desirable research programs are made the first order of business.

## II. LAND ECONOMICS

A. Security on the Land - Recommendations of this nature relate to needed research and planning in the broad field of land tenure and may be classified into six categories:

1. Social and economic conditions under which the tenancy system operates. The economic and social conditions under which the farm tenancy system operates, including a wide variety of topics in addition to those listed in the recommendations, has long been a fundamental part of the research work of the Bureau in the field of land tenure. At the present time, the Bureau is conducting reconnaissance surveys on the tenure situation in 14 States, chiefly located in the Corn and Cotton Belts and in New England. In addition, detailed analyses of tenure information appearing in the 1940 Census reports are being made. An annual tenure survey is being started to obtain current information as to the trends in numbers of the various tenure groups and some of the more significant social and economic adjustments taking place. In addition to these studies which give a rather broad picture of the tenancy situation throughout the United States, the Bureau is engaged in several more detailed studies



confined to small areas in several States selected on the basis of acute tenancy problems. These local studies are varied from time to time in accordance with facilities and problems encountered.

2. The legal framework surrounding the relation of landlord and tenant.

Research into the legal framework surrounding the farm tenancy system was started by the Bureau about three years ago. Most of this work has been carried on in cooperation with various State Experiment Stations, and, at the same time, other States have been encouraged to study landlord and tenant law where facilities are available. Detailed State studies completed to date include Iowa, Illinois, Oklahoma, Missouri, Ohio, Washington, and Oregon. At present, the Bureau is cooperating with the Experiment Stations in Arkansas, Kentucky, Virginia, Kansas, and Mississippi on studies covering landlord-tenant law. Plans are being developed for similar studies in several States in the Southeastern Area; also for one or more studies in the Northern Great Plains. Present facilities, however, do not permit the expansion of these studies as rapidly as State and local people apparently deem advisable.

3. Informational material of value in educational meetings of landlords and tenants.

The Bureau has made conscious effort over a period of time to accumulate such information as would be of value to technicians in conducting educational meetings between landlords and tenants. The material outlined in the section concerned with the economic and social situation is all pertinent in this regard. In addition, the information accumulated in connection with the legal studies is invaluable. At the present time, the Bureau is supplied rather adequately with a storehouse of information that can be used in educational meetings between landlords and tenants regardless of whether these meetings are sponsored by educational or action agencies. The chapter on Farm Tenancy in the report concerned with State Legislation for Better Land Use, and County Planning Leaflets 9 and 10 are specifically applicable in this connection. In addition, the Bureau currently releases reports and bulletins which are of value for this purpose. Furthermore, considerable service has been rendered during recent years in cooperating with land tenure committees appointed by interested agencies in several of the States and with other groups representing national interests. Present plans for expanding this work include the preparation of additional leaflets on the present tenancy situation. One of these leaflets will be concerned with the legal aspects of landlord-tenant relations; another will be concerned with the development of lease forms by local planning committees; and other leaflets will be developed as time permits and interest makes advisable. Furthermore, there is in the Department at present an Interbureau Coordinating Committee on Land Tenure which is specifically set up to develop, in cooperation with the several agencies in the Department, plans for action and working materials which will aid corresponding agencies at the State and county levels. Specific suggestions along this line could be developed immediately without serious strain upon the Department's program. The Coordinating Committee has developed a series of lease forms with appropriate accompanying

MAR 1 - 1946



informational material for use by State and local planning groups and for distribution among landlords and tenants. In addition, this Committee has prepared certain other material on land tenure that has been distributed by the Department.

4. Detailed data concerning information on livestock-share renting in areas where livestock are being introduced. The need for detailed information concerning the introduction of livestock into several areas of the country, particularly in the Southeast, has long been apparent to the Department. Various programs have been developed to help Southern farmers make the transition from cotton and tobacco production to more diversified farming, including livestock. At the present time, the Bureau is co-operating with appropriate agencies in the Southeast to gather this information and to outline specifically leasing plans which may be used by landlords and tenants in the development of livestock on farms where livestock were not previously found. Within a short time, information will be available as a basis for work with State and local planning groups in the development of livestock-share rental guides throughout the Southeast.

5. Problems of low-income farmers including those operating sub-marginal land. The problems of low-income farm families, regardless of the multiplicity of reasons why incomes are low, have long been a part of the work of the Bureau. At the present time, detailed studies concerning the problems of these families are underway in several States in the Mississippi Delta and in the Cotton Regions of the Southeast. New studies are being developed on the concentration of land into fewer ownership and operating units.

In connection with the land-use aspects of this problem, the Bureau is already engaged in a study to analyze the factors responsible for the present patterns of land control and use, to study present land policies, and to appraise the possibilities for further development of the forest areas of the State. As one of the results of the study it should provide a basis for determining "the possibility of devoting the land to public use for county or State forests, parks and wildlife preserves," as suggested by the State Committee.

6. Problems associated with public land ownership and administration. Although some progress has been made in integrating the policies of various public land management agencies, as yet not a great deal has been accomplished in securing uniform leasing policies and regulations for grazing lands of the same carrying capacity. The Department, however, has for some time been considering this matter with the Department of Interior and every effort is being made to harmonize differences in public land management policy. In the Northern Great Plains the Bureau of Agricultural Economics is now conducting a study dealing with various lease rates for grazing districts, soil conservation districts, community pastures and similar



forms of collective tenure in grazing areas. It is the purpose of these studies to aid in securing more equitable lease rates and in stabilizing the range livestock industry of the Great Plains. In the Lake States a study is being made of county and State land management policies in Wisconsin. One phase of this study consists in preparing for each county board and county agricultural planning committee of the counties of the cut-over area of the State, a land ownership map, a current rural zoning map, and a brief report on county land management policies. The Bureau has compiled considerable information on public land problems and management devices, particularly in the Northern Great Plains Area, for the use of county, State, and regional planning committees. The Bureau will continue through its research and planning work to make public lands a more important force in stabilizing the rural economy in areas where public land management policies are particularly significant.

In connection with the general tenure field, it should be pointed out that very few suggestions have been made with reference to the tenure problems of owner-operators and that some of the problems of farm owners are just as acute as those of farm tenants. Problems arising out of speculative land values and subsequent foreclosures are likely to arise because the present defense program may lead to rising land values unless something is done to offset possible developments in this direction. The research and planning work of the Bureau on the problems of land owners is just getting started. It appears, however, that this work will have to be increased in all major agricultural areas if the tenure conditions of the farmers in the United States are to be improved. This particularly is true since many of the problems of farm tenants arise out of the problems of their landlords as landowners. In addition, it should be noted that the recommendations concerning research and planning work for agricultural laborers are conspicuous because of their absence. The land tenure research and planning work of the Bureau is being reoriented rapidly to include certain tenure problems of that large segment of our agricultural population who are landless; that is, the farm laborers. Any well-rounded research and planning program resulting in significant activities among the farming population must include landowners and farm laborers as well as tenant farmers.

B. Conservation and Proper Use of Land and Natural Resources - The Bureau is in hearty agreement with the recommendation to establish an Inter-State Committee to work out uniform policies and plans of action to meet the problems of new settlement in the Mississippi Alluvial Plain. The Yazoo Backwater Area study that was carried on under the direction of the Bureau, the report "New Settlement Problems in the Northeastern Louisiana Delta", and the rather detailed work that has been done in Mississippi and Louisiana on problems that relate to tax delinquency, drainage districts, rural zoning and other similar legislative matters, places the Bureau



in a particularly favorable position to be of service to an Inter-State Committee in developing adequate and comprehensive plans to meet the new settlement problems in the Mississippi Delta.

C. Governmental Organization and Services - It would appear possible to treat recommendations for research in this field under four general topic headings.

1. Direction of land use through rural zoning. Particularly in new settlement areas and in areas where land use is shifting to forestry, grazing or recreation, the State Planning Committees are commended for recommending rural zoning as a useful device in bringing about more desirable land-use patterns. In planning for better adjustments of people to land resources, the regulation of land use and occupancy in rural areas should materially help to make land plans effective. Rural zoning is, however, most effective when used in combination with other measures that will aid in adjustments involving land-use restrictions. The Bureau of Agricultural Economics is in a position to cooperate with various agencies in appraising the place of rural zoning in different types of land-use areas and in helping formulate rural zoning enabling legislation and rural zoning ordinances. The Bureau has participated in and kept in close contact with the zoning movement in the Great Lakes States, particularly in Wisconsin and Minnesota. With the Wisconsin Experiment Station, a study has just been completed dealing with the administration of rural zoning in Wisconsin. This study should be most helpful in making rural zoning a more effective social tool in Wisconsin and also of interest to rural people in other States who are considering the adoption of rural zoning ordinances. The Bureau has also done considerable work in appraising the place of rural zoning in South Dakota, Oregon, California, Pennsylvania, Indiana, and a number of other States. It will continue through its research and planning work to study the possibilities and limitations of rural zoning in making rural plans effective.

2. Equitable property tax assessment problems. The Bureau has conducted several studies dealing with problems of equitable assessments, effects of inequitable assessments on the distribution of tax burdens, and means of improving assessments problems.

These studies have been conducted in the Southern Great Plains Region and for the most part reveal the need for adjustments in assessment procedures and techniques. Mimeographed reports presenting the preliminary findings of two such studies were released during the current year. Work is continuing on one study of this general type.



3. The reorganization of local government. For a number of years the Bureau has been conducting studies in cooperation with Experiment Stations dealing with local government reorganization problems. In recent years particular emphasis has been placed on land use and local government relationships.

Studies dealing with local government reorganization problems have included investigations of possible adjustments in county and township governments, reorganization of school districts, state aids in support of rural local government and local government planning for newly developing areas.

Studies of this type have been undertaken either in response to or with the approval of local planning groups, and such groups have been informed of developments and findings. The Bureau will be glad to acquaint other planning committees with the conclusions of this work.

4. Legislative recommendations. The Bureau maintains a small staff of legislative analysts who are available to work with the land-use planning committees on programs of statutory and administrative readjustments. Fields in which this staff has worked, or is prepared to work include the following: improvements in tenure law, rectifications in tax assessment and collection procedures and in tax title law, more business-like administration of public lands, rural zoning, control of real estate activities, rationalization of drainage enterprises and of future drainage development, management and distribution of State grants-in-aid, and reorganization of local governments. Often the precise formulation of definite proposals in these and related fields requires preliminary research into the applicable law, organization arrangements and administrative procedures. Frequently, advice and assistance from the legal staff of the Solicitor's Office is a desirable component of the research and formulation process. It is a function of this staff not only to serve the State Agricultural Planning Committees directly in the fields of public law, public administration, public finance and local government, but also to make necessary arrangements for enlisting the services of the Department's legal staff in connection with technical questions where those services seem desirable.

Typically, the work of this type is undertaken only on request from the State and Local Planning people or related organizations. Because of the smallness of this staff and the enormous amount of work needing to be done within its field of competence, it is desirable that requests for technical assistance be received as far in advance as possible in order that the work schedule can be properly planned with due regard to reasonable priorities.

D. Post-Defense Planning - The Bureau is participating in a number of activities which are likely to be of significance in connection with post-defense planning. At present the Bureau is working with the National Resources Planning Board in the determination of subregions of the United States and in perfecting a procedure for developing a "shelf" of public



works projects. Rural works projects are, of course, to be given considerable attention by the National Resources Planning Board. A number of the suggestions of the State Committees will be taken care of through this work. The development of general planning objectives for each subregion, which must precede the development of an adequate public works program, would also provide some answer to many suggestions.

The flood control and water facilities surveys being conducted by the Bureau should also contribute materially to the development of an effective works program for the post-defense period.

Whenever forestry and recreational land uses move into areas that were at one time predominately comprised of farm lands, the Bureau of Agricultural Economics is in agreement with the recommendations of several State Committees that additional information is needed so as to direct best the adjustments in land use, local institutions and settlement patterns in such areas. In recognition of this problem, a study is now being conducted in cooperation with the Indiana Experiment Station to consider possible ways of encouraging and directing recreational land development through the various types of group control, the effect of recreational development on local governmental institutions and to determine needed types of adjustment in farm organization and agricultural land uses. In a number of other studies, attention is being given to forest-farm and farm-forest land use adjustments. The Bureau of Agricultural Economics will continue to give increased attention in its research program to problems that arise when major shifts in land use occur in agricultural areas.

### III. MARKETING AND TRANSPORTATION

A. Comments on Specific Recommendations - The recommendation that State experiment stations and other research agencies revise their research programs to include more research on marketing problems seems to be very good. To accomplish this end it is proposed that the marketing research people in a given area pool their resources and collectively plan and conduct marketing research. In this effort, the Bureau will cooperate to the extent of its ability.

The recommendation that the various State experiment stations and regional research laboratories expand their work of developing new uses for agricultural products seems to be desirable. In particular, greater attention should be given to the economic possibilities of retaining and expanding markets. Technical research alone is not enough, and the Bureau of Agricultural Economics should take an active part in developing markets for new products.

The recommendation that a study be made of marketing outlets so that production and marketing services can be adjusted to meet current needs seems to be a very desirable objective, one that is perhaps larger than the boundaries of any one State, and, therefore, should be undertaken jointly by all the States in a particular production region in cooperation with the Bureau.

The recommendation requesting a study of rail and truck transportation rates



between various points is one in which the Bureau is particularly interested. Already under way is some work along this line for the country as a whole. Rate studies that are of concern to only one State logically should be made by State research agencies, although this Bureau might be able to give such agencies some assistance by suggesting methods of approach and perhaps by assisting in making the analysis.

The recommendation to remove obstacles to the movement of farm products in interstate trade is one of the most important recommendations made, because undoubtedly market outlets of many farmers are being restricted and marketing costs are being increased by barriers to interstate trade. This Bureau has made a number of studies in this field and issued the first report calling attention to the situation. It is also participating in an interdepartmental committee and working with the Council of State Governments in an effort to prevent new trade barriers and to encourage the reduction of existing barriers. Some progress has been made but there is some question as to whether the desired result can be accomplished merely by cooperative action. State Committees should give some attention to the most effective means of getting these barriers reduced in case the present efforts do not suffice.

The meaning of the recommendation that freight rates be established on a ton-mile basis in preference to the present method is not entirely clear. The need for studying rate policy in order to find a more satisfactory method of rate making is realized, and studies of this type are underway, but it is doubtful if the solution is as simple as charging a definite rate per ton-mile. A flat rate per ton-mile would be detrimental to producers some distance away from their markets.

Neither is the meaning of the recommendation clear that freight rates be adjusted to be comparable to steamship rates. It may mean that railroads should make the same charges that steamships make for moving a commodity even though the services rendered are not the same. If so, the recommendation is open to question. On the other hand, it could mean that where intercoastal shipping has been affected by the defense program, studies should be made to work out plans for trying to get proper handling by railroads of the commodities affected by the loss of ships. This latter task we have been trying to perform for the last six months with some degree of success. We will continue to study the transportation system to anticipate possible difficulties and work out plans for preventing ship shortages and rate increases which may be injurious to farmers.

A recommendation is made that plans be formulated for a Rural Works Program to soften the shock of post-defense reaction. In this connection, it should be pointed out that some areas are badly in need of efficient concentration markets and other market facilities but that it would be impossible satisfactorily to build such facilities under a Public Works program unless the various State agencies are familiar enough with the marketing system, the kind of system they want, and the facilities needed to constitute such a system, that they can plan the necessary facilities.



Otherwise, public money spent in this way would be purely a hit-or-miss proposition which might do as much harm to the marketing system as it would do good. A Public Works program adopted after the war would be an ideal way for farmers to get marketing improvements provided the States have previously made the plans necessary to accurately point out the improvements needed.

Recommendations in this field are few, yet the field is of particular significance to agriculture. Ultimately, planning committees, no doubt, will consider more fully their needs here. Some of the problems which appear to the Bureau to be worthy of consideration follow:

B. In the Field of Transportation - Getting a more efficient railroad system is of great importance to farmers. This can be done only by taking out wasteful duplication of facilities and services and stopping the payment for services that are not needed. Farmers are tremendously concerned over the question of getting lower freight rates, and the devising of concrete methods of getting such reductions should be an important question to them.

The unsolved problem of getting a properly coordinated transportation system so that commodities may move at the lowest possible rates over the best routes is of great concern to farm groups. A question closely related to this is whether or not public aids and subsidies to rail, truck, and water transportation are getting near a good transportation system or whether they are being rather promiscuously given to whatever transportation agency is in financial difficulty or can exert the most pressure.

What about our current regulatory policy? Is it being carried on in a way to give farmers as low rates and good service as possible, or is it operating merely to protect railroads and other transportation companies that are already in the field?

C. In the Field of Marketing - With marketing costs taking 60 percent of consumer's dollar spent for farm products, it is time farm groups were concerning themselves with finding some way of getting a more efficient marketing system by taking out wasteful duplication of services or eliminating payment for services that are not needed. It should be pointed out, however, that getting an efficient marketing system means turning off labor, shutting down many processing plants, reducing the numbers of certain middlemen to increase the volume handled by each to the point where it can operate efficiently. Reduction of marketing costs means a reduction or elimination of income of certain people who are now benefiting from these charges. In the face of this, do farmers want a more efficient marketing system or not? For example, the Bureau has been working for five years on inefficiencies in handling fruits and vegetables in terminal markets, and has found that in some cities it costs as much to get the products from the city limits to the consumer as it paid for producing them and transporting them to the city. Our studies show that it is



possible to reduce these terminal marketing charges by as much as 20 percent with great benefit to the farmers, who are really paying the bill for these useless operations. Farm groups should use the results of this study.

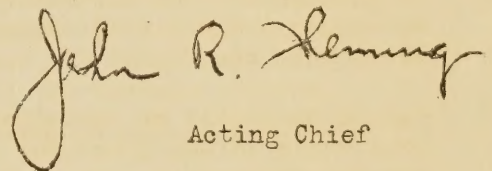
In all government regulations dealing with monopoly, it is important that policies in suppressing monopoly not prevent getting the advantages of mass processing and distribution. Policies are being determined in this field largely by pressure from other groups when no one is any more concerned than the farmer. Farmers should help in deciding these questions.

In the field of retailing, there are many questions such as anti-chain store legislation, price maintenance laws, barring certain products, such as milk, from many markets because they are not produced within a certain area. Planning committees might well give consideration to these issues.

Markets for some products are being lost and farmers are being told to shift to the production of other commodities without even knowing whether there is a market for the commodities. If greater attention were given to the marketing question in formulating policies, some of these markets would not have been lost, and certainly farmers cannot shift their production to other commodities unless an adequate marketing system is planned for disposing of the production.

The illustrations under B and C are not meant to constitute a program in marketing and transportation. They are merely mentioned to point out the extent to which these recommendations from State Planning Committees have not included many of the most important questions in the field of distribution.

September 6, 1941

  
Acting Chief



...to be ... ..  
... ..  
... ..

... ..  
... ..  
... ..  
... ..

... ..  
... ..  
... ..  
... ..

... ..  
... ..  
... ..  
... ..  
... ..  
... ..

... ..  
... ..  
... ..  
... ..

*John R. ...*

...

...